



Section 6

Department of Natural Resources

Aquatic Lands Enhancement Account Grant Program

The Washington State Department of Natural Resources (DNR) Aquatic Lands Enhancement Account (ALEA) Grant Program invests in projects that enhance and protect wildlife and fish habitat and provide places for people to enjoy Washington's salt and freshwater shorelands and tidelands.

General Statutory Provisions

RCW 79.24.580 governs the management of the ALEA Grant Program. After deducting agency management costs and payments to towns under RCW 79.92.110(2), all funds received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands are deposited in the Aquatic Lands Enhancement Account. These funds are to be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to such lands; and for volunteer cooperative fish and game projects. The legislature has regularly expanded the scope for which ALEA funds are used during the appropriation process.

Eligible Grant Recipients and Activities

Eligible grant recipients include cities, counties, ports, tribes, state agencies, as well as sub-districts of the state such as school and conservation districts. At least a 50-percent partnership match is required of all grant recipients.

The ALEA grant program supports the following range of activities including:

- ⌘ Preserving and restoring critical marine and river aquatic habitat in areas proposed for federal Endangered Species Act listings of salmon;
- ⌘ Re-establishing naturally self-sustaining aquatic riparian areas;
- ⌘ Purchase and protection of existing high-value aquatic habitat, allowing natural processes to occur;
- ⌘ Creating or rehabilitating aquatic recreational opportunities, through pedestrian-oriented projects that provide immediately usable waterfront access.

Fund Appropriation History

The Aquatic Lands Enhancement Account receives much of the revenues generated through the department's management of 2.4 million acres of state-owned aquatic lands. The remainder of this revenue goes to the Resource Management Cost Account to cover the costs of management of these lands. The ALEA is funded entirely by revenue generated from the DNR's management of state-owned aquatic lands including:

- Leases to public and private entities for state-owned aquatic lands for a variety of uses, including commercial docks and private marinas; and
- The sales of aquatic resources, such as gravel and harvest rights for geoducks or other shellfish. DNR's geoduck harvesting program provides more than half the income in this fund.

Funds appropriated for the current and previous two biennia are shown in the table below:

ALEA Grants Appropriation History

Biennium	Appropriated Funds
1997-99	\$6,800,000
1999- 01	\$5,500,000
2001-03	\$5,600,000

Between 1984 and 2001, the department's ALEA grants invested more than \$32 million in more than 220 projects. The 50 percent minimum local partnership match more than doubled the value of the state's investment. The ALEA is a key mechanism for investing income from state-owned aquatic lands into projects that keep aquatic lands healthy and that directly benefit the people of Washington. Further information on the ALEA Grant Program is available on the DNR web page at <http://www.wa.gov/dnr/htdocs/aqr/alea/>.

Program Implementation of HB 1785

Consultation with Interest Groups and Grant Recipients

A workshop for ALEA grant recipients was held in May 2001. The workshop provided grant recipients with guidance on how to effectively implement their ALEA project and comply with their contract requirements. Attendance was excellent. Those not able to attend were contacted, and one-on-one communications were used to cover the workshop material. All were given a clear overview of new habitat monitoring requirements and an understanding that the grant program was moving toward developing programmatic performance measurements.

Contract negotiations are now complete with each of the 17 new local and state government ALEA grantees. Each scope of work has been developed to be compatible with all major

monitoring efforts in that watershed. This will ensure that development of the grantee's aquatic habitat monitoring plan will be reasonably affordable, consistent with existing protocols (if any) and will not duplicate area-wide monitoring work.

Grantee feedback has been aimed at making sure the program's technical monitoring requirements were compatible with on-going watershed monitoring in their area. Grantees expressed concerns that ALEA grant funds would not be adequate to pay for the additional costs of monitoring and testing. Grantees were very interested in the expectations of how the monitoring data would be used, who would analyze and store the data, and how it would be applied to long-term site management. The grantees expressed some dissatisfaction that ALEA funds would not be available for all five years that the ALEA program would require a monitoring plan, annual reports and a local adaptive management capacity.

Consultation with Other Natural Resources Agencies

ALEA program staff have actively participated in requests for information from the Office of Financial Management as it develops technical assistance recommendations in response to House Bill 1785. Staff has also obtained the assistance of DNR Aquatics Program scientists to advise the program on project-specific monitoring requirements and programmatic-planning opportunities.

The ALEA program staff have obtained and reviewed a range of reports and related materials from other state agencies on designing and implementing strategic planning and performance measures. ALEA program staff have attended interagency meetings on HB 1785.

The Aquatic Resource Division scientific staff is actively working with the interagency group implementing HB 5637 on salmon and watershed monitoring. When HB 5637 implementation measures have been determined, they will be incorporated into future ALEA Grant Program performance measurements and monitoring program.

Performance Measures Developed for HB 1785

The ALEA Grant Program currently tracks a number of different performance measures with the goal of making future program design decisions based upon its success in achieving stated environmental outcomes. Project implementation is evaluated through site visits, quarterly progress reports, and final project reports and inspections. Each project is visited at least once.

Program staff also attempts to visit all completed ALEA grant sites every five years to ensure that the state's investment is maintained for 25 years as required under the grant agreement. The five- year frequency for follow-up site visits was selected based upon staffing levels and overall workload. An assessment of the project performance measures is used as a basis for analyzing overall grant program performance. The challenge is to translate project-focused measurements into overall programmatic measurements.

In order to meet the requirements of HB 1785, modifications were made to the ALEA grant application. The new application requires:

- ⌘ A five-year commitment to monitor all projects enhancing and protecting critical aquatic habitat;
- ⌘ Annual monitoring reports from habitat related projects indicating trends and options to achieve desired environmental benefits;
- ⌘ Environmental baseline data as part of the grant selection criteria;
- ⌘ A budget and time line that incorporates monitoring costs and activities into the total project costs. These monitoring costs can be used to meet a portion of the grantee's local match requirements.

Monitoring results from aquatic habitat sites funded by the ALEA will be used to evaluate and, as needed, modify the criteria used in making ALEA grant investments. Each biennium, DNR will examine the program mission, objectives, design and operations, to ensure the desired results are achieved when compared with long-term trends detected through effectiveness monitoring. In this manner, monitoring results (intended and realized) for local species and their habitats will be considered in the process of crafting future ALEA investments. This provides for a true adaptive-management capacity.

Evaluation of monitoring efforts will be conducted by a team of scientists in DNR's Aquatic Resources Division with expertise in marine near-shore habitat and species. The science team will help design and implement a program assessment to determine if:

- ⌘ The on-going monitoring of ALEA aquatic habitat improvements results in efficient, effective management of those habitats.
- ⌘ New grant selection criteria should be used to improve ecological outcomes achieved by past investments.

At some point, it may be appropriate to have past success in achieving intended ecological benefits, as criteria for future grant awards.

Agency Recommendations for Monitoring Program

With adequate staffing and budget, the ALEA implementation and compliance monitoring efforts are considered adequate to assess grantee performance in meeting agreed-upon contract terms. With support from the DNR Aquatics Science Team, the ALEA Grant Program will track local monitoring plans and assess project effectiveness and habitat value trends against key watershed indicators. Feedback will be provided to the local habitat stewards and to the program staff to adjust management objectives. Monitoring data will be tracked and published biennially as a separate report, and will be posted on the DNR agency website.

DNR will continue to participate on the Monitoring Oversight Committee, as staffing allows. Currently, the Aquatic Resource Division scientific staff is working with the interagency group implementing HB 5637. When HB 5637 implementation measures have been determined, they will be incorporated into future ALEA Grant Program performance measurements and monitoring program.

Barriers to Fully Implementing HB 1785

No legal barriers exist at this time. Funding barriers do exist however. Staffing levels for the ALEA grant program are significantly below previous biennium levels. The current dedicated staff is 1.5 FTE. Three staffers are needed to fully implement HB 1785. This staff level would allow for 1.5 FTE field staff, 0.5 FTE for a program manager, and 1 FTE for scientific support to designing and tracking monitoring data at the project and statewide level.

On a statewide level, the lack of clear state wide monitoring strategy makes committing the resources needed for a full faith implementation of HB 1785 more difficult. DNR intends to continue to participate in the Monitoring Oversight Committee and use its recommendations as part of its monitoring requirements for ALEA grants.

For individual ALEA grantees, the five-year monitoring commitment required by the ALEA grant program places an additional financial burden on grantees because most of the performance period is outside the current two-year contract. The costs and complexities of requiring each grantee to design and carry out a five-year monitoring plan are not fully known. Current grants have only been in place less than a year, and some less than 3 months. The program's emphasis has been to keep costs down and the work compatible and non-duplicative of other monitoring efforts occurring in the watershed. The ALEA program will continue to meet with grant recipients to define and address the consequences of the new contract requirements brought about by HB 1785.

As staffing permits, the ALEA program also intends to survey grant applicants to determine the percentage of applicants who strongly agree that the funding process is helpful, fair, simple, effective and informative. Results of the survey will be used to examine program operations relative to efficient and effective on-going monitoring. Feedback from DNR's aquatic habitat science team, which provides technical support to grantees, will also provide important insights.

